

The Top 6 Opportunities as the Global Economy Reopens

With economies starting to reopen, now is the perfect time to dig for diamonds in the rough.

In fact, some of the greatest, most oversold opportunities can be found in casinos, airlines, and cruise lines. Better, should the economy successfully reopen – and stay open for business - all of these stocks could rally to higher highs, near-term.

Penn National Gaming Inc. (PENN) **MGM Resorts International (MGM)**

With economies reopening, casino stocks are again showing signs of life. Like most casinos, Penn National Gaming had a tough first quarter with the coronavirus. But, according to CEO Jay Snowden, "The company's long-term growth strategy remains intact."



Better, it could do even better with its stake in the Barstool app, which will help it expand into online sports betting and entertainment. According to Macquarie analyst Chad Beynon, "the app database can be worth \$10 to \$25 per share of equity over time." The stock is shooting even higher on news it is reopening five properties in Mississippi. On May 18, it reported five casino properties in Louisiana, which represents 25% of its portfolio, are reopening as well.

Delta Air Lines Inc. (DAL) **United Airlines Holdings (UAL)**

The worst of the shutdowns may now be over for airlines.

Already, we're seeing a pickup in spending on hotels, restaurants, airlines, and other industries that took a hit on "stay at home" orders. "I think we're very, very close to an inflection point in terms of business activity, and probably about a month away in terms of employment," said White House economic adviser, Kevin Hassett.



In addition, according to MarketWatch, "The number of airline passengers screened per day has risen to around 200,000 from lows of 87,000 in mid-April. This offers 'flickers of hope' for the group", says Raymond James airline analyst Savanthy Syth.

That's great news for grounded airlines, many of which are also seeing solid insider buying. Delta (DAL) insiders also just bought \$640,000 worth of stock between \$22 and \$22.70 a share in late April and early May.

**Royal Caribbean (RCL)
 Carnival Corp. (CCL)**

With "stay at home" orders being lifted, global economies reopening, and a sizable jump in cruise bookings, cruise stocks have been incredibly explosive. Over the last few weeks, shares of RCL ran from a low of \$31.41 to \$72.50. CCL ran from \$11 to \$23.68.



While the cruise industry has been hit hard by the coronavirus outbreak, much of that fear has been priced into oversold cruise stocks. Most will survive, and have become buying opportunities. Industry insiders are seeing big improvement, too.

"We are beginning to see positive signs of improvement versus the last four weeks, which is encouraging. We do feel that we may be 'turning a corner' and seeing signs of better booking weeks ahead," said Michelle Fee, founder of Cruise Planners, as quoted by Travel Pulse.